



WMGLD
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**Peter D. Dion, General
Manager**

John J Warchol, Chair
Elton Prifti, Secretary
Thomas Boettcher
Jennifer Kallay
Sharon Daly

WAKEFIELD MUNICIPAL GAS & LIGHT DEPARTMENT

BOARD OF GAS & LIGHT COMMISSIONERS MEETING

October 4, 2023

IN ATTENDANCE:

Comms., Chair Jack Warchol
Elton Prifti, Secretary
Jennifer Kallay
Thomas Boettcher
Sharon Daly

Peter Dion, General Manager, WMGLD
Mark Cousins, Finance Manager
Dave Polson, Engineering and Operations Manager

Sylvia Vaccaro, Minute Secretary

Mark Roberts, Sprague Energy

**PLACE: 480 North Ave., Wakefield, MA
& ZOOM MEETING**

CALL TO ORDER:

Commr. Prifti called the meeting to order at 6:30 pm and advised the meeting was being recorded. He stated that he will be acting as chair because Commr. Warchol will be attending the meeting later via Zoom.

CHAIR REMARKS:

None

COMMISSIONER REMARKS:

Comm. Boettcher reminded the Board that on Sunday, October 22, 2023, the Environmental Sustainability Committee (ESC) will host an Electric Vehicle

Showcase in the Veterans Field Parking Lot on North Ave. from 10 a.m. to 1 p.m. Attendees will be able to browse various electric vehicles, both personal and commercial, and speak with owners and drivers about their experiences. There will be no test drives at this event. WMGLD will have a table to provide information on our EV programs and showcasing our eTransit Van and PHEV Trouble Bucket Truck.

The ECS has filed a Warrant Article for this upcoming Fall Town Meeting (Saturday, November 18, 2023, at 8:00 a.m.). The warrant article is asking the town to adopt the Specialized Energy Stretch Building Code, this code builds upon the current energy stretch code and was put in place by the DOER a pathway to enable municipalities to achieve the state's Net Zero 2050 goals. The specialized energy stretch code only applies to new construction. The DOER estimates new buildings (built after 2023) will be ~27% of all building space in Massachusetts by 2050.

In preparation for the upcoming EE incentives and rebate discussions during the next few meetings, Commr. Boettcher requested some solar and battery quotes through aggregator EnergySage. He provided a few samples of hard copies and will request Pete to distribute electronic copies as well. Several big initial takeaways he had, on the solar side are several of the installers did not include our rebate in their quotes (and were unaware of it until I brought it to their attention). On the battery side, batteries are still really expensive. None of the installers offer either of the two batteries in our rebate / connected homes program and one installer made the comment that our battery rebate is meager and would not be very impactful.

Also, on the EE front, one of the sessions Commissioner Boettcher attended at the NEPPA conference was Rewiring America. Rewire America is an electrification non-profit that has built a really great IRA Savings Calculator that can help customers navigate the IRA rebates/tax credits they are possibly eligible for based on their projects and income levels. Commr. Boettcher encourages everyone to check it their website at www.rewiringamerica.org and recommends adding a link to their site from our EE page as an additional resource for our customers.

Commr. Daly noted that she mentioned WMGLD's proposed Community Solar program at the last ESC (Environmental Sustainability Committee) meeting. She was asked if the federal tax credit for utilities would be passed on to the participating customers. Pete noted that those credits were factored into the lease price. She said that there was not a strong reaction to the proposed program, so she thought it would be beneficial to gauge the interest of the Town first. She did state that the ESC is interested in learning about the process of converting to solar. She commented that Julie Smith-Galvin, the liaison to WMGLD, stated that perhaps the Town needs to make decisions through a climate lens. Julie referenced the municipal vulnerability plan looks at a project as how it is related to land use, green space, forestry and resiliency. The committee will be looking into this. She said that if WMGLD notifies the ESC about any informational sessions they would be glad to advertise it on their Facebook page.

Commr. Kallay requested an update on any bills being introduced in the legislative session and if MMWEC and MEAM have taken any official positions on them. Pete said the Telecommunication Utility and Energy Committee is supposed to be in joint meetings, however the committee is fractured, and the House and the Senate have been meeting separately. The Senate met last Wednesday with the House meeting next Thursday, October 12, 2023. The bills that are under consideration include the Municipal mutual aid bill, a bill to bring municipalities under the renewable energy portfolio standards and

legislation to change the MMWEC Board. Bob Rodophel, the lobbyist for MEAM, has testified in opposition to Senator Elderidge's proposal to bring municipals under the Renewable Portfolio Standards. Pete noted that as a group we exceed most of the standards in place and do not want to be treated as an IOU (Investor-Owned Utility). The change to the MMWEC Board was requested by the Representatives of Peabody and Danvers in response to Project 2015A. It should be noted that MMWEC Project 2015A did follow the same guidelines as all previous MMWEC projects. He commented that communications about projects could always be improved. The bill's goal is to change the profile of the MMWEC Board. Pete explained that electric commissioners can be on the Board, they simply must run for the position and Governor does have appointees on the MMWEC Board. There are nine Board members, with 4 members from the surrounding towns of Ludlow that have limited voting rights if projects impact their community. Pete noted that he has been asked to speak on November 12, 2023, to the House on this issue. He said that he will forward the email with the details of these bills to the Commissioners.

TOWN COUNCIL LIASON:

Not present.

Public Comments

None

SECRETARY'S REPORT

Approval of the September 6, 2023, minutes was before the Board for approval.

A motion to approve the September 6, 2023, minutes as presented in the Board book was made by Commr. Boettcher and seconded by Commr. Kallay.

Vote: The motion was approved unanimously 4-0.

OLD BUSINESS:

Natural Gas Winter Supply, Mark Roberts, Sprague Energy

Mark Roberts stated that he has been working with the Town for thirty years since deregulation. He reviewed the 2023-2024 Budget Performance, as well as the previous budgets with the Board. He explained that the portfolio Sprague manages for the Town includes many components, capacity, pipeline, storage assets and peaking contracts. Sprague combines all these components together and forecasts where peaking supply and the market may be. He noted there is a balancing component which in past years he has conservatively added \$0.75 to a dollar for budgeting purposes plus \$0.25 for Sprague administration.

The 2021-2022 budget had hedged assets at \$6.00/ Dth. Unfortunately, in 2022-2023 we had to purchase additional gas at the worst possible time. Constellation Energy would not give us a quote for LNG. Mark noted that a year ago, the energy market was in turmoil because of the gas market in Europe. Regional trading was just below Europe at \$13.70. November and December prices were strong but by January they went down, going up slightly at the end of January and the beginning of February due to a cold snap only to sink to historic lows thereafter. We came close to the budgeted \$7.3 million, but per unit we had to take expensive gas because of the global situation. He stated that for this coming year we decided to hedge out the remaining asset portion of the Towns need at a \$7.34 and lock in at 40% discount from the prior year, all while keeping an eye on the market for next winter. If there is a change, we can continue to add additional layers as needed.

Commr. Kallay inquired why the projected volumes for 2022-2023 were so high. Mark explained that we wanted to hedge more aggressively this past winter because forecasts at the time were as high as \$100/Dth and we were worried that costs would rise further in the future if we waited. Pete noted that the mild weather helped us last winter because the amount of gas we had to purchase additional gas on the open market on peak days was minimized.

Pete noted that the first two months of last winter were colder than expected and the prices were high for those two months. Although the

temperatures were milder in January and February, we were still behind in recovering gas expenditures for the early part of last winter. We decided to spread the under collection over more months to avoid making the customer burden too great. He explained that we are still carrying some of the cost recovery from last winter into this year, so we will have to recover this as part of our gas rate this winter.

Mark stated that this winter looks close to average, and the thought is that even if prices go up it will not be as bad as last winter. He said if we do have a cold winter, we will be looking at prices around \$9/Dth for the commodity plus the additional transportation costs from National Grid. Commr. Boettcher asked if there was any movement around the Jones Act. Mark commented that it has not come into play because ports bring in gas from all over and not specifically from Louisiana or Texas. Pete questioned if Mark envisions that the retiring Everett LNG facility next year would cause a crisis for next winter or future winters. Mark noted that this is an uncertainty, and the industry is in a wait and see mode, so we will just have to see how the industry reacts to this. New England is dependent on the global market due to its capacity constraints and being dependent on LNG is always a big issue for us. He noted that European demand is down by 7% and usage is down 15%. The Nordstream pipeline had mysterious explosions and has been mothballed in the short term. LNG imports are up in Europe, and there is a lot of additional gas and renewable alternatives. He mentioned that the mindset is now on conservation. He stated that the market is bearish. Mark noted that the forecast for this winter is normal to warmer temperatures for the whole country. He explained that we are 100% hedged on forecasted 2023-24 Winter Baseload Volume (100% Available) \$7.34 in a ~\$1220 Dth Market. All peaking will be purchased at market as needed and we will continue to monitor and add additional layers if needed. We will reassess the NGRID capacity/peaking options in the 2nd quarter of 2024.

Project Updates

Energy Park

Pete stated that he received correspondence two weeks ago about some minor changes in the language in the Home Rule Petition from the Senate.

Changes were made and sent back but have not heard anything further. Pete stated that both he and Mike Mc Carthy reached out for a status update but have not heard back yet. Dave Polson explained that he is meeting regularly with both schools to discuss the design of services and how their systems will work in conjunction with the Energy Park. Northeast Metro Tech is starting site work.

Commr. Boettcher inquired about the change in peak charging rates at the chargers at the head of the lake. Pete explained that we are trying to curb charging at peak times because it impacts all of Wakefield ratepayers. These chargers are being utilized primarily by people that are driving through Wakefield. The non-peak rate is 40 cents and peak rate is 55 cents from 4:00pm- 9:00pm. The downtown chargers were kept at their original non tiered rate because they were installed to help draw people to the downtown for economic development. Dave mentioned that data is being gathered for further evaluation. WMGLD noted that it not necessarily expect a significant change in behavior as the rush hours are a time when refueling is likely to be necessary. WMGLD is interested in charging customers appropriately for their on-peak use. Pete mentioned that Vinnie McMahon and Paul Redmond completed a entire electric system survey to identify and resolve any emergent issues. Commr. Kallay noted that she did not necessarily have any issues with the change in the rate design but requested that WMGLD proactively notify the Commissioners of any changes to rate designs moving forward.

2023 Strategic Planning

Pete stated that the Strategic Planning meeting with Jon Wortman will be on Tuesday, October 17, 2023, at 6:45pm. The Board recommended the following agenda:

- 1) Reviewing accomplishments since the last strategic planning meeting and the mission, vision, and value statements.
- 2) Implementing a framework for evaluating efforts
- 3) Using the framework to prioritize future efforts (and identify any gaps between current and future priorities)
- 4) Incorporating discussion of the highest priority efforts into future board meeting agendas

Community Solar Program Discussion

Joe Collins reviewed the revised proposed numbers and payback analysis. The charge for non-low income was reduced from \$12.00 to \$11.00 monthly and the low income increased to \$10.50 monthly. The net benefit for non-low income is now \$35.77 and the low-income net benefit is \$232.75. The sign-up fee was reduced from \$100.00 to \$75.00 for non-low income customers. The payback for non-low income customers is four years, while the payback for low income customers would come in the first year. Commr. Boettcher inquired if the sign-up fee would be refunded if someone wanted to leave the program. Pete stated that the sign-up fee is not prorated or refunded. Commr. Daly inquired if someone wanted to sign up for the program in year four, would they still have to pay \$75.00. Joe stated that they would pay the \$75.00 sign-up fee. At the start of the program customers would be limited to 1 kw but we would take requests for up to 5 kw if subscribership allows. This program is available to those customers that do not have solar at their property. The benefits of the program are small savings on your bill, reducing carbon, and helping low income residents in your community. The Board agreed to move forward with developing an information session about the current program construct for customers and soliciting interest. Pete stated that he will share the power point slides with the Board for finalization before the informational session in January 2024. The program will have an April 2024 start date.

New Business

Commr. Daly requested to be updated on upcoming events for Commissioners and those Commissioners that will be attending. Pete stated that he shares this information to the Commissioners via email. Commr. Kallay noted that this information may also be mentioned during the opening remarks at the Board meetings.

A motion to adjourn was made at 9:16 pm by Commr. Boettcher and seconded by Commr. Kallay.

Roll Call Vote: Commr. Daly	Aye
Commr. Kallay	Aye
Commr. Boettcher	Aye
Commr. Warchol	Aye
Commr. Prifti	Aye

Vote: The motion was approved
unanimously 5-0.